

New Mexico Taxation and Revenue Department
2006 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment (page 1 of 2)

Print your company's name	Enter your federal employer identification number
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Section I. Calculate the estimated installment tax due for each quarter using method 4 and calculate the underpayment for each quarter. Using the instructions for this form, complete the schedule below to calculate underpayment of estimated corporate income tax. Complete lines 1 through 7 for each fiscal quarter.

NOTE: If your corporate income tax less credits for the current taxable year is less than \$5,000, do not file this form. You do not owe quarterly estimated tax.

1. For each quarter, enter the due date of the quarterly estimated installment tax payment.
2. Enter the estimated net New Mexico corporate income tax due less any film production tax credit for the corresponding fiscal quarter. If less than zero, enter zero.
3. For each quarter, multiply line 2 by 80% (0.80), and enter here. This is the estimated installment tax payment due.
4. For each quarter, enter the estimated tax payments made on or before the due date of the installment tax payment.
5. Subtract line 4 from line 3 and enter here. This is the underpayment for the quarter as of the due date of the installment tax payment.
6. For each quarter, enter any estimated tax payments made after the due date of the installment tax payment.
7. Add lines 4 and 6, and enter here. This is the total estimated tax paid for the current quarter.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(a)	(b)	(c)	(d)
1.				
2.				
3.				
4.				
5.				
6.				
7.				

Section II. List each estimated tax payment. Complete the list below recording the amount of each estimated tax payment and the date each estimated tax payment was mailed. Include any carryforward from a previous return. If the federal employer identification number at the time of payment is different from the number above, include the federal employer identification number (FEIN) indicated at the time of payment. If additional space is needed, attach a separate page. The sum of estimated tax payments on line 7 of Section I must equal the estimated tax payments listed below.

Amount of estimated tax payment	Postmark date of estimated tax payment	FEIN (if different)
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

☐ Check here if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. You must complete Sections I and II or the Department cannot calculate your penalty and interest using method 4, and you will be assessed penalty and interest based on the lower of methods 1, 2 or 3.

To compute the penalty and interest on underpayment of estimated corporate income tax, continue on page 2.

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Section III: Compute the interest on underpayment of estimated installment payments.

Complete Section III to calculate the penalty and interest you owe.

Calculation Period 1 _____

(Calendar-year taxpayers enter Jun. 16, 2006 - Sept. 15, 2006)

12. Enter the number of days from the day after the due date of the estimated payment, or June 16, 2006, if a calendar-year filer, to the date the amount on line 5, column (a), was paid OR the last day of the calculation period or September 15, 2006, if a calendar-year filer, whichever is earlier.
13. Interest. Multiply the underpayment from the corresponding column of line 5 by the number of days on line 12, by 0.00041. **Underpayment x number of days x .00041 =**
14. Penalty. Multiply the underpayment from the corresponding column of line 5 by number of months or partial months within this calculation period that the payment was not made, by 0.02. If the tax was not paid during this calculation period, multiply the underpayment by (3 x 0.02). **Underpayment x number of full/partial months x 0.02 =**

Calculation Period 2 _____

(Calendar-year taxpayers enter Sept. 16, 2006 - Dec. 15, 2006)

15. Enter the number of days from the day after the due date of the estimated payment, or September 16th, 2006, if a calendar-year filer, to the date the amount on line 5 of the same column was paid OR the last day of the calculation period or December 15, 2006, if a calendar-year filer, whichever is earlier.
16. Interest. Multiply the underpayment from the corresponding column of line 5 by the number of days on line 15, by 0.00041. **Underpayment x number of days x .00041 =**
17. Penalty. Multiply the underpayment from the corresponding column of line 5 by number of months or partial months within this calculation period that the payment was not made, by 0.02. If the tax was not paid during this calculation period, multiply the underpayment by (3 x 0.02). **Underpayment x number of full/partial months x 0.02 =**

Calculation Period 3 _____

(Calendar-year taxpayers enter Dec. 16, 2006 - Mar. 15, 2007)

18. Enter the number of days from the day after the due date of the estimated payment or December 16, 2006, if a calendar-year filer, to the date the amount on line 5 of the same column was paid OR March 15, 2007, if a calendar-year filer, whichever is earlier.
19. Interest. Multiply the underpayment from the corresponding column of line 5 by the number of days on line 18, by 0.00041. **Underpayment x number of days x .00041 =**
20. Penalty. Multiply the underpayment from the corresponding column of line 5 by number of months or partial months within this calculation period that the payment was not made, by 0.02. If the tax was not paid during this calculation period, multiply the underpayment by (3 x 0.02). **Underpayment x number of full/partial months x 0.02 =**
21. **Add interest computed in all columns of lines 13, 16 and 19. This is your interest on underpayment of estimated income tax.**
22. **Add penalty computed in all columns of lines 14, 17 and 20. This is your penalty on underpayment of estimated income tax.**

	1st Quarter (a)	2nd Quarter (b)	3rd Quarter (c)
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			

New Mexico Taxation and Revenue Department
**2006 Calculation of Estimated Corporate Income Tax
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Instructions (page 1 of 2)**

PURPOSE OF THIS FORM

NOTE: Complete this form only if you have elected to use method 4 to calculate estimated tax for the taxable year, and you owe penalty and interest from underpayment of estimated corporate income tax. If method 4 is used, and you owe penalty and interest on underpayment of estimated corporate income tax using the lower of methods 1, 2 or 3, complete this form and attach it to your 2006 New Mexico CIT-1 Form. For a complete description of methods 1, 2, 3 and 4, see the instructions for the *Estimated Corporate Income Tax Form CIT-ES* in the Instructions for the Corporate Income and Franchise Tax Form. You may be able to reduce penalty and interest on underpayment of the estimated tax payments by filing this form. The Department will need the estimated tax due in each quarter to calculate your penalty and interest. If filing this form reduces the amount of penalty and interest, you must also mark the indicator box for *method 4, estimated underpayment penalty and interest calculation*, beneath line 19 of Form CIT-1, page 2. If you do not elect to use method 4, do not complete this form and do not mark the box under line 19, on Form 2005 CIT-1, page 2. The Department will compute your estimated tax due, if any, using the lower of method 1, 2 or 3, and issue you an assessment of penalty and interest for underpayment of estimated tax. See the instructions for Form CIT-ES, *Estimated Corporate Income Tax*, for a complete explanation of estimated corporate income tax and who is required to pay.

HOW TO COMPLETE THE FORM

Section I: Compute the estimated installment tax due for each quarter using method 4 and calculate the underpayment for each quarter. Calculating estimated tax using method 4 requires that you estimate corporate income tax due, net of any credits, for each fiscal quarter of the current taxable year. The amount of the installment tax payment due for each quarter is 80% of the estimated tax due for that quarter. The installment tax payments are due on or before the 15th day of the 6th, 9th, and 12th month of the tax year. The final installment tax payment is due on or before the 15th day of the 3rd month following the close of the tax year. This is also the due date of the return and the tax, so no penalty or interest will be calculated for the fourth quarter.

Requesting the Department to compute penalty and interest on underpayment of estimated corporate income tax. If you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax, mark the indicator box at the bottom of page 1 of Form RPD-41287. Complete Sections I and II *only* and submit Form RPD-41287 with your 2006 Corpo-

rate Income and Franchise tax return. Reminder: You must also check the box under line 19, Form CIT-1, page 2.

Line 1 For each quarter enter the due date of the quarterly estimated installment tax payment. For quarters 1 through 3, enter the 15th day of the 6th, 9th, and 12th month of the tax year. For the 4th quarter, enter the 15th day of the 3rd month following the close of the tax year. If the due date falls on a Saturday, Sunday, state or national legal holiday, the due date is the next regular work day. For 2006 calendar-year taxpayers, the due dates are June 15, 2006, September 15, 2006, December 15, 2006, and March 15, 2007.

Line 2 For each quarter enter the estimated net New Mexico corporate income tax due for the corresponding fiscal quarter (line 14, Form CIT-1, page 2) less any film production tax credit claimed on line 22, CIT-1, page 2. If less than zero, enter zero. The corporate income tax due for each quarter is based on the income received during the fiscal quarter indicated at the top of the column.

Line 3 To complete line 3 for each quarter, multiply line 2 of the corresponding column by 80% (0.80). This is the estimated installment tax payment due.

Line 4 Record the sum of all timely estimated tax payments made or credited to each quarter. Include only payments made on or before the due date of the installment payment. Include any carryforwards from previous tax year returns and any overpayments from previous estimated payments to be applied to the current installment date. Do not include any payment made for the current installment date on or after the due date in line 1. Payments made after each quarterly due date for the current quarter are reported in line 6. Do not include any overpayments that were carried forward or carried back to a previous quarter. Note: An overpayment of an estimated tax paid or credited can be applied to a prior quarter installment payment only when it exceeds the amount due on the current installment date.

Line 5 Calculate any underpayment as of the due date of the installment tax payment for each quarter by subtracting line 4 from line 3.

Line 6 Record the sum of all estimated installment tax payments made or credited to each quarter after the due date of the installment tax payment. Do not include amounts made or credited to any other quarterly installment payment.

Line 7 For each column, add the amounts in lines 4 and 6. The total of all columns of line 7 should equal total estimated tax payments made or credited for the 2006 tax year. This amount should also equal the sum of all estimated payments listed in Section II.

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Section II: List each estimated tax payment made or credited to tax year 2006. Enter the amount of each estimated tax payment made and the postmark of the payment. If it was a carryforward from a previous tax return, indicate the tax year of the return. If one or more payments were submitted to the Department under an incorrect federal employer identification number (FEIN), provide the FEIN as originally submitted on the CIT-ES or CIT-PV.

Section III: Compute the interest on underpayment of estimated installment tax payments. Do not complete this section if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. Please check the indicator box at the bottom of page 1 of this form (RPD-41287), and follow all directions.

Calculation Periods 1, 2 and 3. On the space provided next to each calculation period, enter the dates of the period to be used (calculation period) in the calculation of penalty and interest for each quarter.

The calculation period begins with the day after the due date of the installment tax payment and ends on the due date of the next quarterly installment tax payment. If you are a calendar-year taxpayer, copy the dates in parentheses under each calculation period entry line. If you are a fiscal-year taxpayer, determine the dates for each calculation period. **Note:** *If the due date falls on a Saturday, Sunday, state or national legal holiday, enter the date of the next regular work day.* For example, the due date for the first quarter installment tax payment of calendar year 2003 is June 16th, 2003. Because June 15th falls on a Sunday the due date for that payment is June 16th, 2003, or the next business day. Therefore we begin calculation period 1 with June 17th, 2003, the day after the due date of the installment tax payment.

General Instructions for lines 12 through 22, columns a through c

- Do not complete the shaded areas.
- Do not complete a column if no underpayment of estimated tax payment is recorded in Section I, line 5 for the corresponding quarter.
- The fourth quarter is due on the due date of the return. No penalty and interest on an underpayment for the fourth quarter installment tax payment is due, but you must pay the full amount of tax due by the due date of the return to avoid any additional penalty and interest.
- "Underpayment" generally refers to the underpayment calculated in line 5 of Section I. See the note at the

bottom of this column when multiple partial payments are made on a quarterly estimated tax liability after the installment tax due date.

Lines 12, 15 and 18 Enter the number of days from the day after the due date of the installment tax payment to the date the underpayment was paid or the last day of the calculation period, whichever is earlier. For 2006 calendar-year filers, enter 92 in 12(a) if the underpayment was not paid throughout calculation period 1; enter 91 in 15(a) or 15 (b) if the underpayment was not paid throughout calculation period 2; or enter 89 in 18(a), 18(b) or 18(c) if the underpayment was not paid throughout calculation period 3.

Lines 13, 16 and 19 Calculate interest due for the calculation period. Multiply 0.00041 by the underpayment by the number of days the underpayment remained unpaid during the calculation period.

Underpayment x number of days x 0.00041 =

Lines 14, 17 and 20 Multiply the underpayment from the corresponding column of line 5 by the number of months or partial months* within the calculation period that the underpayment on line 5 of Section I was unpaid by 0.02. If the tax was not paid during the calculation period, multiply the underpayment by (3 x 0.02).

Underpayment x number of full/partial months x 0.02 =

* Note: Compute the number of full/partial months within the calculation period that the underpayment on line 5 of Section I remains unpaid. To calculate months or partial months count "one" as of the beginning date of the calculation period. Payments received the day after the due date of the installment tax payments are paid one partial month late. Add one month for each 15th of the month that passes before the payment is made or the last day of the calculation period, whichever comes first. An underpayment not paid during the calculation period is three full or partial months late.

NOTE: If a required quarterly estimated tax liability is paid with more than one estimated tax payment after the due date of the installment tax payment, additional computations will be necessary. For a partial payment within a calculation period, on a separate sheet of paper calculate each underpayment amount and the number of days within the calculation period that the underpayment amount remained outstanding. Compute the penalty and interest on each underpayment due using the instructions for computing interest and penalty. Add the total penalty and interest for the calculation period and record the total on the appropriate line within the schedule. If any estimated tax liability remains unpaid at the end of the calculation period, begin the next calculation period with the new underpayment balance due.